

Minutes

Joint Legislative Program Evaluation Oversight Committee Meeting November 23, 2015

Members Present

Senator Fletcher Hartsell, Chair
Senator Stan Bingham
Senator Ben Clark
Senator Don Davis
Senator Valeria Foushee
Senator Rick Gunn
Senator Ralph Hise
Senator Shirley Randleman

Representative Craig Horn
Representative Jean Farmer Butterfield
Representative Nelson Dollar
Representative Pat Hurley
Representative Jason Saine
Representative Marvin Lucas
Representative Ted Davis
Representative Rena Turner

Call to Order

Representative Craig Horn, Chair, called the meeting to order. He announced that leadership had assigned the committee a regular interim meeting day of the second Monday afternoon of each month in LOB 544.

Senator Fletcher Hartsell moved to approve the October 21, 2015 minutes. Motion carried.

Presentations and Comments

Representative Horn recognized Senator Rick Gunn, Chair of the JLPEOC Subcommittee on Real Property. Senator Gunn stated that the Subcommittee has asked for modifications to two draft bills and that they should be available for review at the next JLPEOC meeting. One bill directs disposal of several state assets and the other proposes modifications to the operation and management of state property. Senator Bingham asked if copies of the drafts were available. Sean Hamel, Senior Program Evaluator with PED and project lead for the Real Property report, replied that after the modifications are made, and at the discretion of the Chair, copies would be distributed to members.

Update on DHHS Overnight Respite Service

Representative Horn recognized Brent Lucas, Program Evaluator, to explain complications from state laws relative to the provision of overnight respite services at adult day care facilities. Session Law 2015-52 required PED to issue reports (an interim report due December 1, 2015 and a full report due October 1, 2016) on the Overnight Respite pilot project. However, S.L. 2015-241, Section 12G.3 (HB 97, 2015 Appropriations Act) expanded Overnight Respite at adult day care facilities statewide, which rendered the pilot project and the PED study moot. Senator Hise moved to instruct staff to draft legislation to repeal the study provision, require DHHS to semi-annually report to the Joint Legislative Oversight Committee on Health and Human Services on the implementation of the expanded service, and direct DHHS to collect performance data on the service upon its full implementation.

Update on Controlled Substances Reporting System

Representative Horn recognized Sean Hamel, Senior Program Evaluator, for an update on legislation enacted requiring DHHS to make several improvements based on the April 2014 PED report on **DHHS Controlled Substances Reporting System (CSRS)**. CSRS is a statewide electronic database of prescribed controlled substances used to support the monitoring of the legitimate medical use of controlled substances; identify and prevent drug abuse, misuse, and diversion; facilitate the identification of individuals addicted to prescribed controlled substances and enable intervention and treatment of these individuals; identify trends to inform public health initiatives; and inform policy-making. PED has followed up and has found that DHHS had made improvements and is working on others. Therefore, no action is required.

Update on PED Report on Supplemental Insurance Benefits

Representative Horn recognized John Turcotte, PED Director, to report on PED's effort to obtain additional responses from agency employee insurance committees concerning their satisfaction with the current system. The report, **North Carolina Should Centralize Management of State Employee Supplemental Insurance Benefits**, was deferred twice pending responses to the report from employee insurance committees. After the October 21st meeting, PED solicited responses from the employee insurance committees a second time. This second solicitation yielded two additional responses: from the Department of Transportation and the Department of Health and Human Services employee insurance committees. The DHHS employee insurance committee responded by stating it had no response to the report.

The Department of Transportation employee insurance committee stated that it generally supported the recommendations in the report, including more consistent, efficient and streamlined administration of supplemental insurance products through one statewide committee as PED recommended. However, the DOT committee expressed concerns about lack of knowledge of the type of work performed by DOT employees and said *...we wish to ensure that our employees' interests are brought forth to the statewide committee, either by having an NCDOT-appointed member on the committee, or in an advisory capacity, in order to provide supporting data and experienced-based information.*

Public Comments

Representative Horn recognized the following for comments about the PED report:

- Representative Gary Pendleton, who also presented a suggested draft bill proposing that instead of a centralizing of administration by the PED-proposed statewide committee at OSHR, agency heads would have a fiduciary duty to ensure appointment and activity of employee insurance committees; require committees to keep records; include rank and file members not from Raleigh; and take regular bids for products.
- Fairley Grimes, State Government Manager, Colonial Life, supporting the current system and Representative Pendleton's proposal.
- Ardis Watkins, Director of Government Relations, SEANC, opposing the PED recommendations and supporting Representative Pendleton's proposal.

- Ray Scerri, Benefits Director, NC Office of State Human Resources, who supported the PED recommendations and responded to questions about the fraud charges made against the former NCFLEX administrator.

Senator Hise moved to instruct staff to draft legislation as recommended by the PED report that would require bidders proposing and carriers selected by the proposed NC FLEX committee on supplemental insurance to report loss ratios. Representative Dollar moved to amend the motion to instruct staff to draft legislation in addition to that requested by Senator Hise including the recommendations made by Representative Pendleton's suggested draft bill presented to the committee today. Motion carried. Motion as amended carried. Mr. Turcotte explained that depending upon the Drafting Division's availability that the requested draft legislation could be ready by the January joint committee meeting.

Update on actuarial data on Retiree Health Insurance Liability

Representative Horn recognized David Vanderweide from the Fiscal Research Division to present updated actuarial data relating to the July 2015 PED report on Retiree Health Insurance liability.

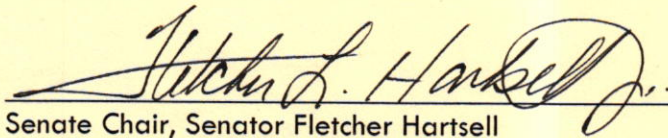
Representative Horn recognized Kiernan McGorty, Principal Program Evaluator, to present draft legislation to implement recommendations from the July 2015 PED report on Retiree Health Insurance. She explained that the draft needed revision to address concerns reported to PED by retirees that there should be an appeals process for those who wished to continue State Health Plan coverage instead of being required to participate in the Medicare Advantage plan as PED proposed in its report. Representative Horn requested presentation of the revised legislation at the next meeting.

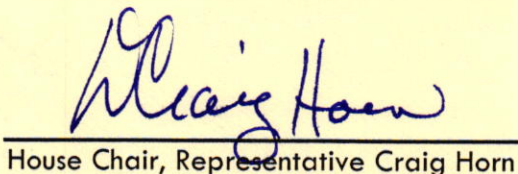
Representative Horn recognized Kiernan McGorty to present the status of the PED work plan.

Representative Horn announced that in keeping with the leadership directive, the committee would meet again Monday, December 14 at 1:00 PM in LOB 544.

Adjournment

With no further business, the committee adjourned.


Senate Chair, Senator Fletcher Hartsell


House Chair, Representative Craig Horn